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## **Backgrounder on Agricultural Economic Impacts January 31, 2008**

- The current impact of Michigan agri-food sector on our state's economy is \$63.7 billion and growing.
- Michigan produces over 200 commodities on a commercial basis, making the state second only to California in agricultural diversity. Michigan leads the nation in the production of 20 commodities, such as red tart cherries, blueberries, black beans, cranberry beans, processing cucumbers, impatiens, geraniums, and others.
- Michigan exports about one-third of its agricultural commodities each year, generating more than \$1 billion and supporting nearly 13,000 jobs.
- Production agriculture, food processing, and related businesses employ more than one million Michigan residents.
- In 2000, Site Magazine ranked Michigan 5<sup>th</sup> in the nation in food processing plant expansions; over 525 large food processors and 800 small food processors.
- Since 2000, more than \$8.6 billion in capital investments in Michigan agri-food sector.
- Michigan ranks 5th and 8th nationally in exports of fruits and vegetables, respectively.
- In 2006, Michigan ranked 9th in the U.S. in milk production, producing 7.1 billion pounds of milk with farm sales of \$.936 billion.
- Michigan's nursery and perennial production is ranked 5th nationally, while its floriculture industry and Christmas tree production rank 1st and 4th in the nation respectively. Combined, these industries represent over \$790 million in wholesale value.
- State and local inspectors ensure nearly 60,000 food operations are meeting the requirements of the Michigan Food Law, ranging from retail and food service establishments to wholesale operations and manufacturing plants.

- If every household started spending just \$10 per week of their current grocery budget on locally grown foods, we'd keep more than \$37 million each week circulating within Michigan's economy.
- Michigan has 30 Agricultural Processing Renaissance Zones authorized by statute; 19 have been designated and one is in process with 10 available. The first nine zones had commitments of 930 new jobs and \$487 million in private investments over a 15-year period.
- Five ethanol plants are operating with total productive capacity at 267 million gallons per year production; \$600 million annual total economic impact; 220 direct jobs; and using 90 million bushels of corn annually.
- Four biodiesel plants are operating with about 20 million gallons capacity and approximately 80 direct jobs. Also, there is an opportunity to convert brownfields to plant "energy" crops for biodiesel fuel.
- In the late 1800s, almost half of Michigan's population lived on farms. Today, that number is only two percent.
- In 1930, one farmer produced enough food to feed mainly just his family, or about 10 people. Today, one farm supports 130 people.
- A recent study by the Michigan Ag Council showed that 63 percent of Michigan residents visit farmers' markets, vegetable stands, orchards, and U-Picks; 25 percent specifically purchased food because it was locally grown. Those polled are worried that their children will lose a connection with agriculture and know about and value programs that bring agricultural knowledge and experience to schools.
- During the 2007 fiscal year, 15 new ventures were launched by Michigan State University Product Center for Agriculture and Natural Resources customers. These business and/or new product launches created annual sales of \$145.9 million and required capital investments totaling \$98.1 million. Ninety new jobs were created and 17 were retained, representing a payroll of \$2.6 million.
- The Michigan agricultural industry strongly supports (in resources and volunteer time) the 104 high school Agriscience and Natural Resources Education programs in the state. Last year, 10,995 students took courses in these programs. These programs also boast 5,308 FFA members.